

STATE OF CALIFORNIA
Finance Letter - Cover Sheet
DF-46 (REV 08/15)

Fiscal Year 2016-17	Business Unit 2660	Department Transportation	Priority No.
Budget Request Name 2660-406-BCP-BR-2016-MR		Program 1840 - Mass Transportation	Subprogram 18400019 & 18400028

Budget Request Description
Reappropriation of Bond Funds

Budget Request Summary

Caltrans requests that Budget Act 2010 High-Speed Rail Passenger Train Bond Funds (Proposition 1A) be reappropriated to allow the completion of two local assistance projects and one capital outlay project for Positive Train Control. This reappropriation is for liquidation of current contracts only.

Additionally, we request a technical adjustment to reappropriate funds from the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B).

Requires Legislation <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Code Section(s) to be Added/Amended/Repealed N/A	
Does this Finance Letter contain information technology (IT) components? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>If yes, departmental Chief Information Officer must sign.</i>	Department CIO N/A	Date
For IT requests, specify the date a Special Project Report (SPR) or Feasibility Study Report (FSR) was approved by the Department of Technology, or previously by the Department of Finance. <input type="checkbox"/> FSR <input type="checkbox"/> SPR Project No. N/A Date:		

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By ATHENA GLIDDON	Date 04/15/2016	Reviewed By STEVEN KECK	Date 04/15/2016
Department Director MALCOLM DOUGHERTY	Date 04/15/2016	Agency Secretary BRIAN P. KELLY	Date 04/15/2016

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ CALSTARS ☐ Dept. of Technology

BCP Type: ☐ Policy ☐ Workload Budget per Government Code 13308.05

PPBA	Date submitted to the Legislature MAY 13 2016
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A. Budget Request Summary

Caltrans requests the Budget Act 2010 High-Speed Rail Passenger Train Bond Funds (Proposition 1A) be reappropriated to allow the completion of two local assistance projects and one capital outlay project for Positive Train Control. This reappropriation is for liquidation of current contracts only.

In addition, we request a technical change that was inadvertently omitted from the proposed Governor's Budget. It is requested that language be added to Item 2660-494 to reappropriate funds from the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B). Proposition 1B funds are being used for projects on State Route 99.

B. Background/History

The Budget Act of 2010 contained funds in Item 2660-104-6043 (local assistance) and 2660-304-6043 (capital outlay) for three Positive Train Control projects administered by the Southern California Regional Rail Authority (Metrolink). It had been anticipated that these projects could be completed by June 30, 2016, but delays associated with the complexity, the need to coordinate with the Federal Communications Commission, and provide interoperability have resulted in project delays. In recognition of these challenges, the federal deadlines for implementation of Positive Train Control were extended from the original December 2015 deadline to December 2018, in order to allow state and local agencies sufficient time to complete their projects.

The Proposition 1B reappropriation language was inadvertently omitted from the proposed Governor's Budget. This technical correction will allow existing for Proposition 1B projects funded by the State Route 99 bond fund sub-account to continue .

C. Justification

The proposed change will reappropriate the items above in the Budget Act of 2016 and correct budget bill language.

D. Outcomes and Accountability

The reappropriation of Proposition 1A will allow two local assistance projects and one capital outlay project to be extended for liquidation from June 30, 2016 to June 30, 2017 for project completion of current contracts only.

This technical correction will allow existing for Proposition 1B projects funded by the State Route 99 bond fund sub-account to continue.

E. Analysis of All Feasible Alternatives

Alternative one: Approve the reappropriation of Proposition 1A and Proposition 1B, extending the encumbrance and liquidation for three projects from June 30, 2016 to June 30, 2017, thus allowing sufficient time for project completion.

Alternative two: Do nothing. This action will result in \$25 million dollars of unliquidated Proposition 1A encumbrances to lapse on June 30, 2016, thus causing a halt in project completion. This will also result in the halt of projects funded by the Proposition 1B State Route 99 bond fund sub-account

F. Timetable

July 1, 2016

G. Recommendation

The Department recommends that these corrections be incorporated into the Budget Act of 2016 under the following item:

The budget language for Proposition 1A – High-Speed Rail Passenger Rail Bond Fund is as follows:

Item 2660-494

Reappropriation, Department of Transportation. Notwithstanding any other provision of law, the period to encumber and liquidate for the appropriations provided in the following citations is extended until June 30, 2017.

6043—High-Speed Rail Passenger Train Bond Fund

(1) Item 2660-104-6043, Budget Act of 2010 (Ch. 712, Stats. 2010)

(2) Item 2660-304-6043, Budget Act of 2010 (Ch. 712, Stats. 2010)

6072—State Route 99 Account

(4) Item 2660-304-6072, Budget Act of 2010 (Ch. 712, Stats. 2010)